

NEW YORK  
COUNTY CLERK'S OFFICESUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

JUL 19 2005

NOT COMPARED  
WITH COPY FILED----- X  
PALESTINE MONETARY AUTHORITY,

Plaintiff,

Index No. 107777/05

-against-

DAVID STRACHMAN, et al.,

Defendants.  
----- XFIRST AMENDED COMPLAINT

DAVID STRACHMAN, et al.,

Plaintiff,

Index No. 105521/05

-against-

THE PALESTINIAN AUTHORITY, et al.,

Defendants.  
----- X

PLAINTIFF, the Palestine Monetary Authority (the "PMA"), by undersigned counsel, for its claims against the DEFENDANTS, The Bank of New York Company, Inc. (the "BONY"), David J. Strachman, as Administrator of the Estates of Yaron Ungar and Erfat Ungar, and the additional counterclaim and cross-claim plaintiffs<sup>1</sup> (collectively the "Strachman Defendants"), states as follows:

<sup>1</sup> The additional counterclaim and cross-claim plaintiffs are Yishai Ungar and Dvir Ungar, minors, by their guardians and next friends, Meyer Ungar; Judith Ungar; Rabbi Uri Dasberg; Judith Dasberg (individually and in their capacity as legal guardians of plaintiffs Dvir Ungar and Yishai Ungar); Amichai Ungar; Dafna Ungar; and Michal Cohen.

### INTRODUCTION

1. The PMA's claims arise from actions taken by the Strachman Defendants and the BONY to freeze approximately \$30 million in funds in the custody of the PMA that belong to various commercial banks that use the PMA to settle transactions.
2. The PMA's settlement transactions are carried out through the Palestine International Bank (the "PIB").
3. The PIB carries out its U.S. dollar settlement transactions, including those at issue in this action, through the PIB's U.S. correspondent bank, the BONY.
4. The settlement transactions frozen by the BONY are those listed in Appendix A hereto in which the Palestine Monetary Authority, acting in its capacity as custodian of the funds, is identified either as a beneficiary or originator.
5. The BONY froze the funds as a result of an Information Subpoena with Restraining Notice (the "New York Restraining Notice") issued pursuant to CPLR 5222 in the matter styled *Estates of Yaron Ungar, et al. v. Palestinian Authority*, New York County Index No. 105521/05 and a Federal Notice of Injunction stemming from a Federal Restraining Order and Federal Injunction issued by the United States District Court for the District of Rhode Island in the case styled, *Estates of Yaron Ungar, et al. v. Palestinian Authority, et al.*, C.A. No. 00-105L (the "Rhode Island Action").
6. The New York Restraining Notice, the Federal Restraining Order and the Federal Injunction issued in the Rhode Island Action arise from a judgment obtained by the Strachman Defendants in the Rhode Island Action against the Palestinian Authority (the "PA"), the Palestinian Liberation Organization (the "PLO"), and others.

7. The PMA was neither named as a defendant in the Rhode Island Action nor as an entity holding or managing assets of any of the named entities or individuals in the Rhode Island Action.

8. After domesticating the judgment received in the Rhode Island Action in New York, under the New York County Index No. 105521/05, on or about April 21, 2005, the Strachman Defendants caused the BONY to be served with the New York Restraining Notice, on or about April 21, 2005.

9. The New York Restraining Notice incorrectly stated the BONY is in possession of "assets and property in which the judgment debtors [in the Rhode Island Action – the PA and PLO] have an interest are held and/or titled under the name[] ... the Palestine Monetary Authority (PMA)."

10. On or about May 9, 2005, the Strachman Defendants caused the BONY to be served with a Notice of Injunction (the "Federal Notice of Injunction") and a copy of the Federal Injunction.

11. The Federal Notice of Injunction improperly stated "assets of the PA and PLO are held and/or titled under the names...Palestine Monetary Authority (PMA)."

12. The BONY froze all PMA-related transactions after reviewing the New York Restraining Notice and the Federal Notice of Injunction, both of which falsely stated that the assets of the PA and/or the PLO were being held and/or titled under the name of the Palestine Monetary Authority (the "PMA").

**PLAINTIFF**

13. The PMA is headquartered in Ramallah, Palestinian Territories and it has a mailing address in Ramallah of Nablus Road, P.O. Box 452.

14. The PMA is the regulatory authority for commercial banks and related deposit taking institutions in the Palestinian territories.

15. The PMA is not controlled by the PA or the PLO.

16. The PMA possesses an autonomous corporate character financially independent from the PA and PLO.

17. The PMA neither holds nor manages any funds of the PA or the PLO or any other named-defendant in the Rhode Island Action.

18. Neither the PA nor the PLO's assets are held and/or titled under the name of the Palestine Monetary Authority or the "PMA."

19. The PMA was established as a result of the Protocol on Economic Relations signed in May 1995 following the Oslo Accords concluded between Israel and the PLO under the auspices of President Clinton in 1993.

20. Initially, the PMA was set up as a regulatory authority to license and supervise commercial banks operating in the Palestinian territories.

21. As part of its normal regulatory functions, the PMA established clearinghouse arrangements with commercial banks in the Palestinian territories to help provide needed liquidity to the market and to ensure smooth operations of all transactions related to the clearing of checks, interbank payments, and all other transfers through the banking system.

22. Regulations were issued requiring the commercial banks operating in the Palestinian territories to open clearinghouse accounts with the PMA and to maintain certain balances in those accounts in order to cover any financial obligations arising from the clearing of payments. Specifically, the PMA has issued rules that require, among other things, that all commercial banks remit to the PMA certain ratios of the total deposits of the currencies in

circulation in the Palestinian territories. The funds are remitted to the PMA as required reserves of commercial banks.

23. As of April 30, 2005, the total of all commercial banks required reserves and other deposits held at the PMA amounted to \$514.7 million.

24. As Palestine is yet to achieve sovereignty, the PMA remains an autonomous chartered regulator whose purpose is to facilitate normal banking activity and to help maintain financial stability.

25. The highest source of authority for the activities of the PMA is its own board of directors, chaired by the Governor.

26. The PMA and the commercial banks it regulates transact business in Israeli shekels, euros, Jordanian dinars and importantly for the purposes of this Complaint in U.S. dollars.

27. The PMA, through the PIB, clears all U.S. dollar transactions with the BONY in Manhattan.

28. These U.S. dollar transactions result from daily check clearances, inter-bank transfers and other transfers between private parties.

#### DEFENDANTS

29. The BONY is a multi-faceted banking institution offering a wide array of financial services. Its headquarters are located at One Wall Street, New York, New York 10286.

30. David Strachman, an attorney with the law firm of McIntyre, Tate, Lynch & Holt, 321 South Main Street, Providence, RI 02903, is the Administrator of the Estates of Yaron Ungar and Erfat Ungar and the attorney for the Estates of Yaron Ungar and Erfat Ungar and the additional counterclaim and cross-claim plaintiffs in the Rhode Island Action.

31. The additional counterclaim and cross-claim plaintiffs, along with the Estates of Yaron Ungar and Erfat Ungar, are judgment creditors of the judgment debtors – the PA and PLO – in the Rhode Island Action.

32. On or about April 21, 2005, the Strachman Defendants caused the New York Restraining Notice to be served on the BONY in Manhattan.

33. In early May, 2005, the Strachman Defendants caused the Federal Notice of Injunction to be mailed to the BONY in Manhattan.

34. As a direct result of the Strachman Defendants' New York Restraining Notice and Federal Notice of Injunction, the BONY froze the PMA's transactions.

#### **FACTS COMMON TO ALL CAUSES OF ACTION**

35. On or about May 18, 2005, the PMA discovered that millions of dollars of transactions had been inexplicably frozen by the BONY.

36. As a result of the freeze, the PMA's ability to move the dollar holdings for interest bearing purposes has been blocked—seriously damaging the PMA's ability to manage the funds in its custody and to earn income therefrom.

37. The PMA immediately investigated the matter, contacting high ranking executives at the BONY.

38. The BONY informed the PMA that it had received the Federal Notice of Injunction and, as a result of that Notice, took measures to freeze the PMA's transactions.

39. The PMA is neither a defendant in the Rhode Island Action, nor does it hold or manage any assets of the PLO or PA or any assets of any other defendant named in the Action (nor does it have access to any of those funds). The PMA was also not named in either the

Federal Restraining Order or the Federal Injunction issued by Judge Lagueux in the Rhode Island Action.

40. To evidence the PMA's autonomy and financial independence from the PA and PLO and to demonstrate that the blocking or freezing of the PMA's transactions with the BONY is without any legal or factual justification, the PMA instructed its auditors, Saba & Co., an affiliate of Deloitte Touche Tohmatsu, to prepare a report detailing the source of all of the PMA's funds.

41. Saba & Co.'s report demonstrates that all funds in the PMA's possession, entirely and exclusively, consist of funds held on behalf of commercial banks, its own capital and reserves, and employees' provident funds.

42. On May 19, 2005, the PMA instructed the PIB to write to the BONY urging the BONY to honor all outgoing and incoming payments and emphasizing that all frozen funds belong to private, licensed commercial banks in the Palestinian territories and not to the PMA.

43. Despite the PIB's demands that the BONY unfreeze the transactions in question, the private fund transactions remain frozen.

44. The PMA estimates that approximately \$30 million in private fund transactions remain blocked today.

45. To protect itself from further arbitrary action by the Defendants, the PMA has refrained from effecting any U.S. dollar transactions, prolonging the period of uncertainty and aggravating the irreparable harm to the banking system in the Palestinian territories.

46. As a direct and proximate result of the BONY's and the Strachman Defendant's actions, the PMA has and continues to suffer irreparable harm to its goodwill and reputation, as well as incurring substantial monetary damages.

AS AND FOR A FIRST CAUSE OF ACTION

(Against All Defendants — Declaratory and Injunctive Relief)

47. The PMA repeats and realleges each and every allegation of Paragraphs 1 through 46 as if more fully set forth herein.

48. The Strachman Defendants obtained a judgment against the PA and the PLO in the Rhode Island Action.

49. The Federal Restraining Order and the Federal Injunction were issued in connection with the judgment in the Rhode Island Action.

50. The Federal Restraining Order and the Federal Injunction state in relevant part:

The Palestinian Authority and the Palestine Liberation Organization and their officers, agents, servants, employees, attorneys, partners, fiduciaries, and any natural or legal persons in privity with them and/or acting on their behalf and/or in active concert and participation with them, are hereby prohibited, restrained and enjoined from withdrawing, selling transferring, alienating, assigning, pledging, impairing, offsetting, hypothecating, encumbering, concealing, secreting, trading, removing, or in any way disposing of or effecting a disposition in, directly or indirectly, any and all assets of the Palestinian Authority and/or the Palestine Liberation Organization however titled (including without limitation all accounts, deposits, cash, shares, stock, credits, partnership rights or interests, equitable rights or interests, contractual rights, holdings, financial interests or real estate) located within the jurisdiction of the United States or of any State thereof.

51. On or about May 9, 2005, the Strachman Defendants prepared the Federal Notice of Injunction that impermissibly expanded the terms of the Federal Restraining Order and Federal Injunction set forth above by stating in relevant part that the:

Injunction applies to all assets of the PA and PLO however titled, and that assets of the PA and PLO are *held and/or titled under the name[] ... Palestine Monetary Authority (PMA)*. (emphasis added)

52. The Strachman Defendants served the Federal Notice of Injunction on the BONY on or about May 9, 2005.



53. On or about April 21, 2005, the Strachman Defendants caused the preparation of the New York Restraining Order that incorrectly stated:

[T]he assets and property in which the judgment-debtors have an interest are *held and/or titled under the name[] ... Palestine Monetary Authority (PMA) ....* (emphasis added)

54. On or about April 21, 2005, the Strachman Defendants caused the New York Restraining Order to be served on the BONY.

55. As a result of being served with the Federal Notice of Injunction and the New York Restraining Order, the BONY froze the transactions and funds identified in Appendix A.

56. The PMA does not hold or have title to assets of the PA or the PLO.

57. The transactions and funds identified in Appendix A, in which the Palestine Monetary Authority acting in its capacity as custodian of the funds is identified either as a beneficiary or originator were improperly frozen because the funds belong to commercial banks and not the PA, the PLO, or the PMA.

58. Accordingly, pursuant to CPLR 3001, the PMA seeks a declaratory judgment that:

a) the assets involved in the transactions listed in Appendix A, in which the Palestine Monetary Authority acting in its capacity as custodian of the funds is identified either as a beneficiary or originator, belong to the commercial banks named in those transactions and not to the PA, the PLO, or the PMA;

b) the Strachman Defendants improperly instructed the BONY to freeze the assets in the custody of the PMA based on the incorrect premise that the PMA is an alter ego of the PA or the PLO or that the PMA holds or has title to assets of the PA and the PLO;

c) the PMA is not the alter-ego of the PA or PLO; and

d) the PMA is not the agent of the PA or PLO.

59. The PMA is entitled to an injunction lifting the freeze on the transactions listed in Appendix A in which the PMA, acting in its capacity as custodian of said funds, is identified as either a beneficiary or originator.

**AS AND FOR A SECOND CAUSE OF ACTION**

**(Against the BONY — Tortious Interference With Business Relations)**

60. The PMA repeats and realleges each and every allegation of Paragraphs 1 through 59 as if more fully set forth herein.

61. The PMA acts as a clearinghouse for the commercial banks in the Palestinian territories.

62. The PMA has a business relationship with commercial banks in the Palestinian territories and in other countries, including those commercial banks listed in the transactions in Appendix A in which the Palestine Monetary Authority, acting in its capacity as custodian of the relevant funds, is identified either as a beneficiary or originator.

63. The BONY used improper means to freeze the funds belonging to the commercial banks listed in the transactions in Appendix A in which the Palestine Monetary Authority, acting in its capacity as custodian of these funds, is identified either as a beneficiary or originator, in that, upon information and belief, the BONY conducted no investigation and undertook no good faith efforts whatsoever to determine whether said transactions involved assets of the PA and/or the PLO, when in fact the funds involved in said transactions did not belong to the PA, the PLO, or the PMA.

64. As a direct and proximate result of the BONY's wrongful actions, the PMA has suffered injury to its business relationships with the commercial banks listed in the transactions

in Appendix A in which the Palestine Monetary Authority is identified either as a beneficiary or originator and in the event the current situation continues to exist, such that the PMA cannot efficiently clear U.S. dollar transactions through the PIB in the United States, the PMA's relationships with other commercial banks in the Palestinian territories and in other countries will be seriously and irreparably injured.

**AS AND FOR A THIRD CAUSE OF ACTION**

**(Against The Strachman Defendants— Tortious Interference With Business Relations)**

65. The PMA repeats and realleges each and every allegation of Paragraphs 1 through 64 as if more fully set forth herein.

66. The PMA acts as a clearinghouse for commercial banks in the Palestinian territories.

67. The PMA has business relationships with commercial banks in the Palestinian territories and in other countries, including those commercial banks listed in the transactions in Appendix A, in which the Palestine Monetary Authority, acting in its capacity as custodian of the relevant funds, is identified either as a beneficiary or originator.

68. The Strachman Defendants used dishonest, unfair, and/or improper means to freeze the funds belonging to those commercial banks listed in the transactions in Appendix A in which the Palestine Monetary Authority is identified either as a beneficiary or originator, and the Strachman Defendants knew or should have known that said funds were not assets of the PA and/or PLO.

69. As a direct and proximate result of the Strachman Defendants' actions, the PMA has suffered injury to its business relationships with the commercial banks listed in the transactions in Appendix A in which the Palestine Monetary Authority is identified either as a

beneficiary or originator and in the event the current situation continues to exist such that the PMA cannot efficiently clear U.S. dollar transactions through the PIB in the United States, the PMA's relationships with other commercial banks in the Palestinian territories and in other countries will be seriously and irreparably injured.

**AS AND FOR A FOURTH CAUSE OF ACTION**

**(Against the BONY — Conversion)**

70. The PMA repeats and realleges each and every allegation of Paragraphs 1 through 69 as if more fully set forth herein.

71. The PMA was set up as a regulatory authority to license and supervise commercial banks operating in the Palestinian territories.

72. The PMA is the regulatory authority for commercial banks and related deposit taking institutions in the Palestinian territories.

73. As part of its normal regulatory functions, the PMA established clearinghouse arrangements with commercial banks in the Palestinian territories to help provide needed liquidity to the market and to ensure smooth operations of all transactions related to the clearing of checks, interbank payments, and all other transfers through the banking system.

74. The PMA holds funds in custody that belong to commercial banks operating in the Palestinian territories that use the PMA to settle transactions.

75. The PMA's settlement transactions are carried out through the PIB.

76. The PIB carries out its U.S. dollar settlement transactions, including those listed in the transactions in Appendix A in which the Palestine Monetary Authority, acting in its

capacity as custodian of the funds, is identified as a beneficiary or originator through the PIB's U.S. correspondent bank, the BONY.

77. Beginning on or about May 16, 2005, the BONY exercised unauthorized dominion and control over the funds involved in the transactions listed in Appendix A in which the Palestine Monetary Authority, acting in its capacity as custodian of these funds, is identified either as a beneficiary or originator.

78. The BONY's exercise of dominion and control over said funds interferes with the PMA's rights as custodian of these funds that, in fact, belong to the commercial banks listed in the transactions in Appendix A in which the Palestine Monetary Authority is identified either as a beneficiary or originator.

79. The funds are specifically identifiable and set forth in the list of transactions in Appendix A in which the Palestine Monetary Authority, acting in its capacity as custodian of these funds, is identified either as a beneficiary or originator.

80. The PMA has demanded said funds be unfrozen and that the BONY cease exercising unauthorized dominion and control over said funds.

81. The BONY has refused to unfreeze said funds and cease exercising unauthorized dominion and control over said funds.

82. The PMA has been damaged as a result of the BONY's conduct.

WHEREFORE, the PMA respectfully requests that the Court:

a) declare the assets frozen belong to the commercial banks listed in Appendix A and not to the PA and/or the PLO.

b) declare the Strachman Defendants improperly demanded the BONY freeze the assets in the custody of the PMA based on the premise that the PMA holds or has title to assets of the PA and the PLO;

c) declare the PMA is not the alter-ego of the PA or PLO;

d) declare the PMA is not the agent of the PA or PLO;

e) enter judgment in its favor and against the BONY in an amount to be proven at trial, but to include compensatory damages, punitive damages, prejudgment and post-judgment interest, and costs and expenses;

f) enter judgment in its favor and against the Strachman Defendants in an amount to be proven at trial, but to include compensatory damages, punitive damages, prejudgment and post-judgment interest, and costs and expenses; and

g) order that the BONY immediately release the block on all funds involved in the transactions listed in Appendix A in which the Palestine Monetary Authority, acting in its capacity as custodian of the funds, is identified either as a beneficiary or originator and to honor all pending and future incoming and outgoing transactions by the PMA through the PIB or any other agent designated by the PMA and for such further relief as the Court deems just and proper.

Dated: New York, New York  
July 18, 2005

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By: 

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Transaction Number	Date	Originator	Beneficiary	Dollar Amount	Status
F2S0505168970100	5/16/2005	Palestine Monetary Authority	Jordan National Bank	\$350,000.00	Stop payment instruction issued. Funds suspended to 8900430427
F2S0505168970200	5/16/2005	Palestine Monetary Authority	The Housing Bank for Trade and Finance	\$455,000.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168318000	5/16/2005	Palestinian National Authority	Palestine Embassy/Ukraine	\$4,600.00	Stop payment instruction issued. Funds suspended to 8900430427
F2S0505168970800	5/16/2005	Palestine Monetary Authority	Al-Quds Bank for Development NAD Investment	\$779,990.00	Stop payment instruction issued. Funds suspended to 8900430427
F2S0505168970300	5/16/2005	Palestine Monetary Authority	JP Morgan Chase Bank NA	\$2,399,990.00	Balances insufficient in account to process wire transfer.
F2S0505168970900	5/16/2005	Palestine Monetary Authority	Palestine Investment Bank	\$649,990.00	Stop payment instruction issued. Funds suspended to 8900430427
F2S0505160527900	5/16/2005	Union Bank for Sav. And Investment Arab Islamic Bank	Palestine Monetary Authority	\$450,000.00	Stop payment instruction issued. Funds suspended to 8900430427
F2S0505168483800	5/16/2005	Ramallah, West bank	Palestine Monetary Authority	\$533,000.00	Stop payment instruction issued. Funds suspended to 8900430427

FDF0505160884000	5/16/2005	US Bank NA	PMA Located in Details of Payment: 05152005 ACCT GLA 111 566 FFC I PRETSL II COLLECTION ACCT 759350 PMA CAPITAL FLOATING RATE CAPITAL SECUR 6934399Y9	\$298,277.69	Stop payment instruction issued. Funds suspended to 8900430427
FTS 0505168283900	5/16/05	Ministry of Finance, Gaza, PNA 15869	Embassy of the State of Palestine, Sofia	\$3,650.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS 0505168286300	5/16/05	Ministry of Finance, Gaza, PNA 15774	Embassy of the State of Palestine	\$2,817.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168268400	5/16/05	Ministry of Finance, Gaza, PNA 1688	Mission to the United Nation	\$15,357.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168269000	5/16/05	Ministry of Finance, Gaza, PNA: 15918	Mission to the United Nation	\$14,960.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168274300	5/16/05	Ministry of Finance, Gaza, PNA 4925	Embassy of the State of Palestine, Sofia	\$8,600.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168283800	5/16/05	Ministry of Finance, Gaza, PNA 15953	Embassy of the State of Palestine, Malta	\$3,769.00	Stop payment instruction issued. Funds suspended to 8900430427

FTS0505168284400	5/16/05	Ministry of Finance, Gaza, PNA 15926	Mission Especial De Palestina Colombia	\$3,582.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168284500	5/16/05	Ministry of Finance, Gaza, PMA 15775	Abassade De Palestine-Conakry Guinee	\$3,096.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168284600	5/16/05	Ministry of Finance, Gaza, PNA 15901	Palestine Embassy in Argentina, Hani Suhail Daher Akef	\$3,167.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168285200	5/16/05	Ministry of Finance, Gaza, PNA 15767	Embassy of the State of Palestine	\$2,075.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168285400	5/16/05	Ministry of Finance, Gaza, PNA 15787	PLO Office- Pakistan	\$2,060.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168292800	5/16/05	Ministry of Finance, Gaza, PNA 15770	Embaizada Da Palestina	\$1,800.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168293000	5/16/05	Ministry of Finance, Gaza, PNA 15790	Saher M.H.A.	\$1,800.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168297000	5/16/05	Ministry of Finance, Gaza, PNA: 5636	Ghaleb Darabya	\$1,350.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505168300700	5/16/05	Ministry of Finance, Gaza, PNA 18251	Ghalyah ATA Abdelqader	\$1,000.00	Stop payment instruction issued. Funds suspended to 8900430427

F2S050174782100	5/17/2005	Palestine Monetary Authority	Egyptian Arab Land Bank	\$184,990.00	Stop payment instruction issued. Funds suspended to 8900430427
F2S0505174782200	5/17/2005	Palestine Monetary Authority	Jordan National Bank	\$300,000.00	Stop payment instruction issued. Funds suspended to 8900430427
F2S0505174782400	5/17/2005	Palestine Monetary Authority	Bank of Jordan Ltd	\$10,000,000.00	Balances insufficient in account to process wire transfer.
F2S0505175578500	5/17/2005	Union Bank for Sav. And Investment	Palestine Monetary Authority	\$500,000.00	Stop payment instruction issued. Funds suspended to 8900430427
FDG0505172219200	5/17/2005	Fortis Bank (Belgium)	Palestine Monetary Authority	\$10,005,833.33	Stop payment instruction issued. Funds suspended to 8900430427
F2S0505174325100	5/17/2005	Cairo Amman Bank	Palestine Monetary Authority	\$9,630,000.00	Cancelled due to incomplete wire instructions.
FTS0505172063300	5/18/2005	Palestine National Fund	Ambassade De Palestine	\$9,322.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505195739400	5/19/2005	Palestine Investment Fund	Democracy/ Council	\$55,192.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS05053231446800	5/23/2005	Palestine National Fund	Embassy of the State of Palestine	\$600.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505257346100	5/25/2005	Palestinian National Authority	International Development Partners and Associates, IDPA	\$1,999.39	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505306003300	5/30/05	Ministry of Finance, PNA	PLO-Norway	\$9,672.00	Stop payment instruction issued. Funds suspended to 8900430427

FTS0505318565100	5/31/2005	Palestinian National Authority, Ministry of Finance a/c 93 PNA 21324, Gaza	Palestine Embassy/Ukraine Zaot Walid AA	\$4,600.00	Stop payment instruction issued. Funds suspended to 8900430427
FDC0505312614800	5/31/05	Arab Fund, Kuwait	Arab Bank Ramallah Branch Ramallah Palestine, FAVRG, AC No. 9110-450004-0/510 of PECQAR	\$59,988.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505318473600	5/31/2005	Ministry of Finance, Gaza, PNA 21307	Mission to the United Nation	\$14,940.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505319030500	5/31/05	Ministry of Finance, Gaza, PNA 21314	Embassy of the State of Palestine-Malta	\$3,771.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505319033900	5/31/05	Ministry of Finance, Gaza, PNA 21304	Mission Especial De Palestina Colombia	\$3,581.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505319037500	5/31/05	Ministry of Finance, Gaza, PNA 21293	Palestine Embassy in Argentina Hani Suhail Daher Akel	\$3,167.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505319039200	5/31/05	Ministry of Finance, Gaza, PMA 21120	Ambassade De Palestine-Conakry Guinee	\$3,096.00	Stop payment instruction issued. Funds suspended to 8900430427

FTS0505319040400	5/31/05	Ministry of Finance, Gaza, PNA 21114	Embassy of the of Palestine Abidjan	\$2,942.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505319044300	5/31/2005	Ministry of Finance, Gaza, PNA 21333	Embassy of the State of Palestine China	\$2,666.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505319049300	5/31/05	Ministry of Finance, Gaza, PNA 21214	PLO Office- Pakistan	\$2,050.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505319052200	5/31/05	Ministry of Finance, Gaza, PNA 21323	Embassy of the State of Palestine Sofia	\$1,850.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505319053500	5/31/05	Ministry of Finance, PNA 21212, Gaza	Saher M.H.A.	\$1,800.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505319059300	5/31/05	Ministry of Finance, Gaza, State of Palestine Al PNA 21335	Embassy of the State of Palestine Al Banja	\$1,450.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0505319059600	5/31/05	Ministry of Finance, Gaza PNA 21308	Ghaes Darabya USA	\$1,350.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0506024744800	6/2/2005	Palestine National Fund	Mission to the United Nation New York	\$1,200.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0506024864300	6/2/2005	Ministry of Finance, Gaza, PNA 22426	Embassy of the State of Palestine	\$5,086.00	Stop payment instruction issued. Funds suspended to 8900430427

FTS0506024868800	6/2/2005	Ministry of Finance, Gaza, PNA 22408	Embassy of the of Palestine Abidjan	\$5,527.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0506036562300	6/3/2005	Palestinian National Authority, Ministry of Finance a/c 93, PNA 22491 Gaza	Palestine Embassy/Ukraine Zaqot Wallid AA	\$9,498.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0506035948100	6/3/2005	Ministry of Finance, Gaza, PNA 22476	Embassy of the State of Palestine Jakarta	\$7,493.00	Stop payment instruction issued. Funds suspended to 8900430427
FTS0506035949200	6/3/2005	Ministry of Finance, Gaza, PNA 22485	PLO Office- Pakistan	\$6,595.00	Stop payment instruction issued. Funds suspended to 8900430427
FGV5514546680800	6/7/2005	Palestine Monetary Authority	Union Bank for Savings and Investment, Ramallah	EUR 39,994,25	Stop payment instruction issued. Funds suspended to 8900430427
FDC0506090541900	6/9/2005	Palestinian National Authority	The Cairo Amman Bank, Amman, Jordan	\$792.00	Stop payment instruction issued. Funds suspended to 8900430427

\*\*8900430427 - FTD  
Regulatory & Comp,  
Legal Other  
Suspense Account

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

----- X  
PALESTINE MONETARY AUTHORITY,

Plaintiff,

-against-

DAVID STRACHMAN, et al.,

Defendants.  
----- X

:  
: Index No. 107777/05  
:

: **AFFIRMATION OF SERVICE**  
:

DAVID STRACHMAN, et al.,

Plaintiff,

-against-

THE PALESTINIAN AUTHORITY, et al.,

Defendants.  
----- X

:  
: Index No. 105521/05  
:

I, Cem Ozer, Esq., an attorney duly admitted to practice law before the Courts of the State of New York, hereby affirm under the penalty of perjury that on July 18, 2005, I caused the within PALESTINE MONETARY AUTHORITY'S ANSWER TO THE COUNTERCLAIMS AND CROSS-CLAIMS and FIRST AMENDED COMPLAINT to be served upon the following:

Robert J. Tolchin, Esq.  
JAROSLAWICZ & JAROS  
150 Williams Street, 19<sup>th</sup> Floor  
New York, NY 10038  
*Attorneys for Defendant  
David Strachman, as Administrator  
For the Estates of Yaron Ungar and  
Erfat Ungar, and the additional  
Counterclaim and Cross-Claim Plaintiffs*

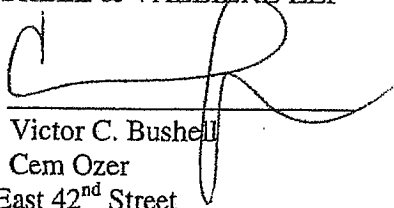


EMMET, MARVIN & MARTIN, LLP  
120 Broadway  
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*Attorneys for Defendant*  
*The Bank of New York Company, Inc.*

by depositing a true copy of the same enclosed in a post-paid properly addressed wrapper  
in a Post Office / official depository under the exclusive care and custody of the U.S.  
POSTAL SERVICE within New York State.

Dated: New York, New York  
July 18, 2005

BUSHELL & VALLIERE LLP

By:   
Victor C. Bushell  
Cem Ozer

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*Palestine Monetary Authority*

**ATTORNEYS FOR PALESTINE MONETARY AUTHORITY**